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**More than \$16 Million in New Funding for
Affordable Housing Announced;
Executive and Councilmembers Launch
Action Plan for Affordable Housing**

Affordable housing in Montgomery County will receive another boost this year with more than \$16 million in new funding and a variety of initiatives designed to expedite the creation of more moderately-priced homes. The announcement was made today by County Executive Douglas M. Duncan, County Council President Michael L. Subin, Council Vice-President Steven A. Silverman, chair of the Council's Planning, Housing and Economic Development Committee, and Montgomery County Planning Board Chairman Derick Berlage.

"A recent study by George Mason University's Center for Regional Analysis projects that the demand for new housing created by jobs in this area will outpace supply by 218,000 homes within the next 25 years," said Duncan. "We need to make sure that our workers can afford to live here. By doing nothing, we condemn them to long-distance commutes and our road congestion problems will only get worse."

"We must accelerate our commitment to affordable housing; otherwise, our nurses and police officers, firefighters and teachers, retail workers and child care

employees won't be able to afford to live in the community where they work," said Subin.

"Our County Housing Policy states that we need to build about 1,000 new affordable homes each year to meet the needs of our residents," said Silverman.

"Clearly, we must take more aggressive action if we are going to meet that goal.

Montgomery County families deserve safe, decent affordable homes and we are committed to taking the steps necessary to make that happen."

Action Plan for Affordable Housing

New initiatives this year aimed at increasing the County's affordable housing stock include a "Green Tape" expedited land use review process for affordable housing projects, increasing densities at transportation and commercial centers and curbing predatory lending practices. Other initiatives include incorporating affordable housing as a specific objective in each master plan and establishing numeric goals, and reviewing the special exceptions process for senior and other special needs housing.

An ongoing initiative to identify County-owned properties that may be suitable for development as affordable or special needs housing is about to be completed. The Montgomery County Department of Housing and Community Affairs and the Maryland-National Capital Park and Planning Commission will soon present a list of these properties for consideration.

Other ongoing affordable housing initiatives include adopting design and operating standards that will make it easier for non-profit organizations to obtain special

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exceptions; creating development standards necessary to apply Moderately Priced Dwelling Unit requirements to certain large lot zones; and developing financial literacy and credit counseling programs for renters, potential first-time home buyers and existing low-income home owners.

Funding Plan

Duncan announced that the \$16 million in new funding will be included for the Housing Initiative Fund in his fiscal year 2004 operating budget, providing a significant boost in the number of homes that are affordable to moderate-income workers in the County. This will bring Montgomery's total investment in affordable housing projects over the past five years to more than \$51 million.

The \$35 million invested in affordable housing projects to date has resulted in the creation or renovation of nearly 4,000 affordable rental units, rehabilitation of more than 500 single family houses and 33 foreclosed properties – located throughout the County and in neighborhoods designated as target revitalization areas (Connecticut Avenue Estates, Long Branch and Viers Mill Village). In addition, 16 properties with more than 1,230 affordable rental units were acquired and preserved as rentals at affordable rates, and closing cost assistance went to help 1,560 families purchase their first homes. Another 2,270 affordable housing units – including those for individuals with special needs and the elderly -- were purchased through the Housing Initiative Fund.

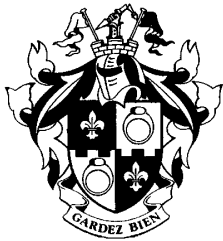
Previous actions taken to boost affordable housing, include: revising the County's 20-year-old Housing Policy to adopt specific targets for provision of affordable

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homes; and extending the Moderately Priced Dwelling Unit law requirements to housing developments of 35 or more homes and adopting legislation to allow a voluntary provision of affordable homes in housing developments of fewer than 35 homes.

The proposed Action Plan for Affordable Housing will be discussed by the County Council's Planning, Housing, and Economic Development Committee on Thursday, February 27. The new funding will be included in the County's FY04 Operating Budget, which will be presented by the County Executive on March 17. The operating budget must be approved by the County Council by June 1.



Montgomery County Council

DRAFT Action Plan to Address the Shortage of Affordable Housing in Montgomery County

New Initiatives

	Action Item	Lead Dept./Agency
I.	Increase zoning densities at transportation and commercial center through review of existing zoning, possible creation of an affordable housing overlay zone, re-evaluation of current standards for optional method development, and other strategies.	M-NCPPC
II.	Establish an expedited zoning, permitting, and site plan processes for affordable housing projects.	M-NCPPC, DPS, WSSC
III.	Incorporate affordable housing as a specific objective in each master plan and consider including numeric housing goals as part of each master plan review.	M-NCPPC
IV.	Lobby the State to assess property taxes for MPDUs based on controlled rents and to assess property taxes for rental properties based on actual rents rather than market rents.	Executive and Council
V.	Work to curb predatory lending by bringing more mainstream lenders to the community or by adopting laws to better regulate lending practices.	DHCA
VI.	Establish numeric goals for production of new special needs housing and set a timeline for achieving the goals.	DHCA, DHHS
VII.	Develop information resources containing information to address frequently asked questions about affordable housing and assisted living projects.	M-NCPPC
VIII.	Review special exceptions process for senior and other special needs housing.	M-NCPPC
IX.	Work with state officials to increase Montgomery County's allocation of housing bond cap	DHCA, HOC

Continuing Initiatives

	Action Item	Lead Dept./Agency
I.	Identify County owned properties that may be suitable for development of affordable or special needs housing.	DHCA, M-NCPPC
II.	Adopt design and operating standards that would make it easier for non-profits to obtain special exceptions.	M-NCPPC
III.	Promote development of personal living quarters (PLQ) supportive housing projects.	DHCA, DHHS
IV.	Create development standards necessary to apply MPDU requirements to certain large lot zones.	M-NCPPC
V.	Develop financial literacy and credit counseling programs for renters, potential first-time home buyers, and existing low-income home owners.	DHCA, HOC

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